

VZCZCXRO3086

RR RUEHAG RUEHAST RUEHDA RUEHDBU RUEHDF RUEHFL RUEHHM RUEHIK RUEHJO
RUEHKW RUEHLA RUEHLN RUEHLZ RUEHPOD RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHBS #1460/01 1221127
ZNR UUUUU ZZH
R 021127Z MAY 07
FM USEU BRUSSELS
TO RUEHC/SECSTATE WASHDC
RUEHC/DOL WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUEHXI/LABOR COLLECTIVE

UNCLAS SECTION 01 OF 03 BRUSSELS 001460

SIPDIS

SIPDIS

DOL FOR BLS AND ILAB
TREASURY FOR IMI
STATE FOR DRL/IL

PLEASE PASS TO LABOR OFFICERS

E.O. 12958: N/A

TAGS: [ELAB](#) [SOCI](#) [PGOV](#) [EUN](#)

SUBJECT: SCENE-SETTER FOR G8 LABOR MINISTERIAL: THE
VIEW FROM BRUSSELS

REF: (A) BRUSSELS 00846; (B) BRUSSELS 00826
(C) 2006 BRUSSELS 04113

¶1. This message is intended to provide information and background on the EU employment strategy and the personality and the views of EU Employment and Social Affairs Commissioner Vladimir Spidla in preparation for the G-8 Labor Ministerial to take place in Dresden on May 6-8.

MORE AND BETTER JOBS

¶2. The European Employment Strategy (EES) embodies the EU effort since 1997 to "define common objectives in relation to employment policy and detailed guidelines for the development of the employment policies of Member States." In line with the "Lisbon Strategy" agreed by EU leaders in 2000 and revised in 2005, the Commission described the goals of its EU-wide strategy as full employment ("more jobs"), the promotion of quality and productivity at work ("better jobs"), and fostering cohesion and an inclusive labor market ("greater social cohesion"). Implementation of the EES relies on what is called the "open method of coordination," which is resting on guidelines and indicators, benchmarking and sharing of best practices, but with no official sanctions for laggards. It is backed by recommendations to the Member States adopted in an annual employment report jointly produced by the EU Commission and Council in a coordinated process.

¶3. In pursuit of its vision of making Europe the most competitive and dynamic knowledge economy in the world, "Lisbon" set objectives of full employment, better quality of work, lifelong learning and partnerships with the EU's "social partners (representatives of employers' and labor organizations at EU level). The strategy was also meant to influence national priorities of the Member States to help achieve the EU-wide objectives. "Lisbon" also identified quantitative targets to achieve full employment. After subsequent modification, as well as the addition of intermediate targets, these became:

-- An overall employment rate of 67% in 2005 and 70% in 2010;
-- An employment rate for women of 57% in 2005 and 60% in 2010;
-- An employment rate of 50% for older workers (55-64) in 2010.

¶4. The figures should not be interpreted as meaning that the EES solely or even chiefly deals with achieving quantitative employment targets. Rather, its focus is meant to be changing over time. It now combines a central aim of creating more jobs, with supporting strategies to achieve better jobs. The "four pillars" of the EES are:

-- Improving employability - making sure that people can develop the right skills to take up job opportunities in a fast-changing world;

-- Developing entrepreneurship - making it easier to start and run a business and employ people in it;

-- Promoting adaptability - developing new more flexible ways of working which reconcile both security for the worker and flexibility for employers;

-- Strengthening equal opportunities and ensuring equal access to jobs for women and men and equal treatment at work.

¶5. "More and better jobs" was identified as a major policy issue for discussion by EU leaders at each "spring" (March) meeting of the European Council

BRUSSELS 00001460 002 OF 003

over the past few years. The annual review not only underlines the importance attached to these topics but also emphasizes the over-riding need for better implementation of commitments already agreed under "Lisbon." Any strategy implemented in a "cooperative" way is inevitably subject to such vulnerabilities. Although the strategy has recently come to bear some fruits and is now "showing its positive impact," (REFs A and B) the EU Council recognized a few weeks ago that "considerable delivery gaps need to be bridged" to address the fact that 17 million Europeans remain unemployed and to create 20 million new jobs.

IMPROVING SOCIAL PROTECTION SYSTEMS IN LDCs

¶6. The Commission has been advocating more cooperation between the WTO and the ILO to ensure progress on the social aspects of globalization, including labor standards. The EU already includes social and environmental incentives in its trade relations with developing countries (the Generalised Scheme of Preferences). It grants extra tariff reductions to countries that implement the ILO conventions (REF. C).

¶7. The EU Council of Ministers for Employment and Social Affairs in December 2006 noted with satisfaction that the ILO's Decent Work Agenda is based on an integrated approach covering productive and freely chosen employment, and full respect for rights at work, and that the approach is encompassing core labor standards, social dialogue, social protection (including health and safety at work), and gender equality. Ministers emphasized that the ILO's Decent Work Agenda is in line with the Union's values and principles. They recalled that "the promotion of employment, social cohesion

and decent work for all is part of the European Social Policy Agenda and of the European Consensus on EU Development Policy."

CORPORATE SOCIAL RESPONSIBILITY

18. The Commission encourages companies to assess their performance also on the welfare of their workforce and care for the environment. The Commission is committed to integrate corporate social responsibility (CSR) into other EU policies (not only in employment and social affairs) such as enterprise, development and trade policies. Commissioner Spidla told a November 2006 Brussels conference looking at the link between the promotion of innovation and competitiveness and corporate social responsibility that CSR was "essential to sustainable growth and development." Spidla described the two themes as complementary and sharing the same objective: "I am convinced that it is the promotion of innovation in the context of corporate social responsibility that will in the longer term determine the health of our economies and consequently the stability and future of the European Union."

BIO NOTES ON EU COMMISSIONER SPIDLA

19. Vladimir Spidla joined the EU Commission in late 2004 after serving as Prime Minister of the Czech Republic in the period July 2002 - June 2004. Having studied history at the Charles University of Prague, where he graduated in 1976, Spidla took up a number of jobs until the late 1980s, often as a simple worker because he was not prepared to make the political compromises necessary for getting jobs that should have been available to him on the basis of his qualifications. He also worked as an archaeologist. His background and his reputation within the Barroso Commission are those of a man of integrity and honesty but with poor communication skills. The job of EU Commissioner awarded to him

BRUSSELS 00001460 003 OF 003

after his loss of the premiership in 2004 was criticized in his country as "a golden parachute." Spidla is regarded as strongly pro-European and a supporter of EU integration (views not necessarily shared in the political establishment of the Czech Republic) but his impact on the formulation of Commission policies has generally been limited to his specific responsibilities. President Barroso and Vice-President Verheugen have much more visibility than Spidla in the promotion of the EU "Lisbon strategy" for growth and jobs.

10. Spidla is married for the second time; he has two sons from his first marriage and another two children by marriage. His hobbies include cross-country and marathon running. In addition to his native Czech, Spidla speaks German and French. His public interventions as EU Commissioner are generally in those languages and his command of English is weak. For further bio information about Commissioner Spidla, his policies, his staff, his agenda and for a collection of his speeches, see: http://ec.europa.eu/commission_barroso/spidla

McKINLEY